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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

JUL 18 1983

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

*	*	*	*	*	*	*	*	*	
*	In the Matter of the Petition of								*
*	NEILLSVILLE EDUCATION ASSOCIATION								*
*	To Initiate Mediation-Arbitration								*
	Between Said Petitioner and								
*	SCHOOL DISTRICT OF NEILLSVILLE								*
*	*	*	*	*	*	*	*	*	

Case No. III
No. 30096
Med/Arb-1823
Decision No. 20202-A

I. APPEARANCES

Mary Virginia Quarles, Executive Director, Central
Wisconsin UniServ Council West, appearing on behalf of
the Association.

Gerald D. Makie, Negotiator
Frank Vazquez, School Counsel, Trimberger and Vazquez,
appearing on behalf of the District.

II. BACKGROUND

On April 27, 1982, the representatives of the School District of Neillsville (herein after referred to as the "Board" or "District") and the representative of the Neillsville Education Association (herein after referred to as the "Association") commenced negotiations on a successor agreement to the 1981-82 Collective Bargaining Agreement. They exchanged initial proposals on April 27 and met four subsequent times in an effort to reach an accord of a new collective bargaining agreement. On July 12, 1982, the Association filed a petition requesting that the Wisconsin Employment Relations Commission initiate mediation-arbitration pursuant to Section 111.70(4)(CM)6 of the Municipal Employment Relations Act. On September 29, 1982, a member of the Commission staff conducted an investigation and concluded that the parties were deadlocked in their negotiations and on December 20, 1982, the parties submitted to said investigator their final offers and stipulation on all matters agreed upon. Thereafter the investigator notified the parties and the Commission that the investigation was closed and that the parties remained at an impasse. Subsequently the Commission ordered the parties to select a mediator/arbitrator to assist them in resolving their dispute.

The parties selected the undersigned as mediator/arbitrator. On March 10, 1983, the mediator/arbitrator conducted mediation in an attempt to resolve the outstanding issues in dispute. However, the parties were unable to come to an agreement over the outstanding issues. The mediator/arbitrator then served notice of his intent to resolve the dispute by final and binding arbitration. The parties waived their respective rights to written notice of such intent and their right to withdraw their final offers as extended by the relevant statute. The mediator/arbitrator then conducted an arbitration hearing and received evidence. The parties agreed to present arguments in the form of written briefs and rebuttal briefs. The exchange of rebuttal briefs was completed May 19, 1983. Based on the review of the evidence, the arguments, and the criteria set forth in Section 11.70(4)(CM)6 Wisconsin Statutes, the mediator/arbitrator renders the following award.

III. FINAL OFFERS AND ISSUES

The District's final offer is attached as Appendix A. The Association's final offer is attached as Appendix B. The stipulations of the parties are on file at the Wisconsin Employment Relations Commission and are not reproduced here.

A review of the final offers reveals that the only outstanding issues relate to the (1) salary schedule and (2) the amount of the payment made by the District for health and dental insurance.

A review of the offers in respect to salary schedule reveals that the Board proposes to increase the BA Base from its 1981-82 level of \$12,128 to \$12,928 for 1982-83. They propose to increase the BA Maximum from \$17,910 to \$18,710. The MA Base in 1981-82 was \$12,943 and the Board's offer proposes to raise this to \$13,743. They proposed to increase the MA Maximum to \$20,225 from its 1981-82 level of \$19,425. The Board also proposes to raise the Schedule Maximum from \$20,737 to \$21,537.

A review of the offers in respect to salary schedules reveals that the Association proposes to increase the BA Base from its 1981-82 level to \$13,038. The BA Maximum would be raised to \$19,254, the MA Base to \$13,914, the MA Maximum to \$20,866, and the Schedule Maximum to \$22,285.

At the hearing there were respective differences to the costing of the two proposals on a total package basis. However, the difference was very slight and the parties stipulated that the proposals on a total package could be costed as follows:

District	7.87%
Association	10.75%

Based on the costing data stipulated to by the parties, the Arbitrator has costed the proposals on salary schedule only as follows:

District	7.0%
Association	9.6%

A review of the final offers in respect to health and dental insurance reveals that the Board proposes the health insurance payments increase from their 1981-82 level of \$81.24 for family and \$30.48 for single to \$107.94 for family and \$41.23 for single in 1982-83. The Board also proposes to make a payment for dental insurance of \$28.83 for family and \$8.96 for single. In 1981-82, the contract expresses the dental contribution as "90 percent of family and single coverage on a school-approved plan." The Association's final offer in respect to dental insurance proposes no change in the 1981-82 language. In respect to health insurance, the Association requests a \$115.14 contribution for family and \$45.82 contribution for a single premium.

IV. ARGUMENTS BY THE PARTIES

A. Association

In addition to arguments on the salary issue and health and dental insurance issue, the Association presents an argument that the group of comparable schools on which they base their analysis of the final offers is most appropriate. The Association has offered two comparability groups for the Arbitrator's use: (a) the Cloverbelt Athletic Conference and (b) the Cloverbelt Conference "B" schools (a subgrouping of the first). In support of their comparable group, they direct attention to Arbitrator Fleischli involving the same parties in the 1981-82 contract

wherein he stated:

"The undersigned believes that the Association's reliance on the Cloverbelt schools, and the Class B schools therein, is supported by the record. Those districts may very well compete in the same labor market, since the labor market for professionally trained teachers is obviously much broader than a labor market for unskilled or semi-skilled laborers. Also, to the extent that they are of comparable size and wealth and located within fairly close proximity to Neillsville, they may be said to be 'comparable' to Neillsville....In summary then, based on the record presented, the undersigned believes greater (but not exclusive) weight, should be given to the comparisons within the Cloverbelt Conference, particularly the Class B schools therein. (Neillsville, No. 27902, MED/ARB-1135.)

In respect to the schools proposed to be comparable by the District, the Association notes that the District has given the Arbitrator no information on which to base an assessment of their claim that contiguous school districts should be included in the comparable groups. Since no information on school enrollment, professional bargaining unit size, or any other comparative criteria has been provided, the Association suggests that the Arbitrator give no weight to these contiguous districts.

In respect to salary and wage rates, the Association makes two general arguments: (a) that the Association's final offer provides equitable internal increases at all wage rates while the District's offer is inequitable and regressive, and (b) that the wage rate adjustments for comparable districts for 1982-83 are similar to the Association's proposed adjustment.

In respect to Argument (a) as summarized above, the Association presents an analysis of the salary schedule cells indexed as a percent of the base under both offers. For example, their analysis shows that the index differential between the BA Minimum and the Schedule Maximum in 1982 was 1.710 (i.e., that a person at the Schedule Maximum was paid approximately 71 percent more than a teacher with a BA and no experience). Their analysis further shows that approximately the same relationship existed under their 1982-83 salary offer (1.709). The index is relative to the other benchmarks in their 1982-83 contract and are identical to those that existed in the 1981-82 contract as well. When such an analysis is done on the Board's offer, the Association points out that the index relationship between the benchmarks is regressive. The most marked differences in the index relationship under the Board's offer is at the MA +10, MA Max., and Schedule Max. The 1981-82 index relationship was 1.411, 1.602, and 1.710 respectively. Under the Board's 1982-83 offer the indexes would be 1.385, 1.564, and 1.66 respectively. Thus, the Association concludes that their offer maintains the relationship within the salary schedule so that all teachers are treated equitably by giving them the same percentage increases. The District's offer does not do so. The Association sees the 1982-83 Board offer as similar to their offer in 1981-82 in this respect. They contend that the Board was "warned" by Arbitrator Fleischli last year that last year's proposal "reduces the index relationship between cells within the schedule and results in significantly lower percentage increases for teachers who have progressed beyond the BA Lanes. Arbitrator Fleischli stated further that the District's proposal in 1981-82 "raises a serious question concerning the interest and welfare of the public insofar as the purposes of the salary schedule itself are concerned." The Association believes that Arbitrator Fleischli remonstrated the District over "the sacrifice of those teachers who sought the advanced training the schedule is presumably designed to encourage."

The Association also submits an exhibit which shows the nature of the internal salary schedule relationships in other schools in the Cloverbelt Athletic Conference. A review of that exhibit shows generally that the indexes of the BA Maximum, MA Maximum, and Schedule Maximum relative to the BA Base remained the same or increased in 1982-83 over 1981-82.

Also in respect to Argument (a) and the alleged internal inequities which would occur under the Board's offer, the Association analyzes each benchmark under last year's schedule compared to the proposals for 1982-83 and expresses the increase as a percent. The following represents the proposed percent increases at each benchmark over 1981-82.

	<u>BOARD</u>	<u>ASSOCIATION</u>
B.A. MINIMUM	6.6%	7.5%
B.A. 7	5.5%	7.5%
B.A. MAXIMUM	4.5%	7.5%
M.A. MINIMUM	6.2%	7.5%
M.A. 10	4.7%	7.5%
M.A. MAXIMUM	4.1%	7.5%
SCHEDULE MAXIMUM	3.9%	7.5%

The Association, based upon the above table, concludes that the longer a teacher has been employed by the Neillsville School District and the more effort he/she has made to improve through advanced professional training, the smaller the increase they receive. Thus, they believe their final offer on salary schedule preserves the schedule relationship and encourages further educational advancement. They suggest that the Board's proposal, on the other hand, is highly disruptive to schedule relationships and has the obvious affect of lowering teacher moral, of discouraging commitment to the District, and of destroying incentives for further study.

In respect to Argument (b) as summarized above, (i.e., that their offer is more similar to wage improvements in comparable schools) the Association put forth an analysis of the historical differential to the average at the benchmarks and the historical rank between Neillsville and the Class B schools and the Cloverbelt Athletic Conference as a whole. This historical analysis is extended to compare the rank and differential to the average which would result under each offer as compared to the 1982-83 settlements in the same group. They also do such a comparison for a Career BA teacher and a Career BA/MA teacher. An examination of their detailed statistical analysis indicates that in respect to the BA Minimum there will be a drop in rank for Neillsville teachers under both offers relative to the complete list of the Cloverbelt Conference schools. In respect to Class B school group, both offers maintain the rank within that group. They also note that the average increase in the Cloverbelt Conference was 7.1 percent compared to the Association's increase of 7.5 percent and the District's increase of 6.6 percent. In respect to the BA Lane plus seven years experience benchmark, the Association notes that in the Cloverbelt Athletic Conference schools, the Association's would drop their ranking to eighth while the District's would move them into last place among the settled schools. The average percentage increase at this benchmark was 7.6 percent compared to the Association's final offer of 7.5 percent increase and the District's 5.5 percent increase at this benchmark. The Association's proposal relative to the Class B schools at the BA +7 benchmark placed teachers in the last place but cuts the dollar variance from the average. The District's offer not only moves the

teachers into last place it doubles, according to the Association, the dollar variance from the average. In respect to the BA Maximum, the Association suggests that their final offer maintains the historical ranking among the athletic conference, but loses in dollars against the average; whereas, the District's offer drops four positions in rank to seventh and moves the teachers from \$351 above the average to \$177 below the average. The average percentage increase at this benchmark in this conference was 8.0 percent compared to the District's increase of 4.5 percent and the Association's 7.5 percent increase. In respect to the Class B schools, the District's offer would drop the teachers into last place and would lose \$400 against the relative position in 1981-82. They also note that the average percentage increase of Class B schools was 8.1 percent, well above even the Association's final offer. At the MA Minimum benchmark, the Association notes that their offer maintains rank within the Cloverbelt Schools but increases the dollar differential from the average and that the District's offer moves the teachers to tenth place of the eleven settled schools. The average percentage increase in the conference was 7.7 percent against 7.5 percent for the Association's offer and 6.2 percent for the District's offer. In respect to the Class B schools, the Association's proposal returns the wage rate to its 1979-80 ranking but only begins to close the negative differential which has existed since that time. The District's proposal drops the wage rate to last and increases the dollar gap. In 1979-80 Neillsville had a MA Minimum salary wage rate of \$7 above that of the average. In 1982 that wage rate was \$714 below the average, in 1981-82 \$241 below the average and under the Board's offer would be \$295 below the average. In respect to the MA +10 benchmark, the Association indicates that their ranking within the Cloverbelt Schools would be maintained under their offer but establishes the lowest dollar variance from the average in at least four years. They suggest that the District's offer would plummet the wage rate into the "basement." They also indicate that the average percentage increase at this benchmark was 8.2 percent in the conference as a whole compared with the District's 4.7 percent proposed increase and the Association's 7.5 percent proposed increase. Within the Class B schools, the District's final offer increases the negative differential from the average salary by 120 percent and drops it into last place. The Association's offer increases the dollar spread but maintains the ranking. In the MA Maximum benchmark, the Association observes that their offer would move them from sixth rank to the ninth rank and also increase the dollar gap from the average. The Board's offer, on the other hand, would yield the dollar gap of almost 200 percent greater than that which existed in 1981-82. They note that the average increase was 8.9 percent in the athletic conference and the Association's proposed increase is 7.5 percent and the Board's is 4.1 percent. Within the Class B schools, the Association's offer would drop Neillsville into third place and the Board's would drop them into fourth place with even bigger negative differentials against the average under both offers. For the Schedule Maximum, the Association's final offer would drop the wage rate into sixth place in the conference while the District's offer would move it into eighth place. The dollar differential created by the Board's offer is more than four times greater than last year. Their exhibit indicates that last year's Schedule Maximum was \$524 below the average and under their offer for 1982-83 would be \$1,204 under the average. They also note that an 8.8 percent increase at this benchmark occurred in the Class B schools compared to the District's offer of 3.9 percent and the Association's offer of 7.5 percent.

The Association also discounts the weight the Board puts on the cost of living criteria. They suggest that arbitral authority now seems to agree that the best gauge of cost of living increases for teachers is the level of increases in comparable districts. Based on this guideline, they believe the analysis of the settlements in other conference schools has established the Association's position as the better offer. They also note that although the District hasn't claimed an inability to pay argument, they have "sought to cloak itself in poverty"

in their exhibits. Further in this connection they direct attention to Arbitrator Krinsky's award in Ladysmith (Case VII, No. 29600, MED/ARB-1626) wherein he concluded that "the record does not establish that the District is less able to pay than comparable districts or that the interests and welfare of the District's taxpayers require that a lower settlement be awarded in the District than elsewhere."

In respect to health insurance, the Association points out that the average insurance premium for a family was \$137.05 compared to the average payment by school boards in the athletic conference of \$130.74 or a 95 percent level of payment. The Association believes this confirms their position and further notes that only two schools failed to pay 100 percent for a single premium and one of those two schools pays 99 percent. Of all the Class B schools which are settled, health insurance premiums are provided to 100 percent level. Clearly in their mind, the Board is out of line because, first, they are not comparable, and second, because they are reducing the level of support previously given to health insurance. In respect to dental insurance, the Association notes that the District seeks to remove the percentage language in the current contract and substitute a flat-dollar amount. They believe the District has produced no evidence to support such a change. They also note that the combined health and dental rates as proposed by the Association falls far below the average settled schools.

The Association also believes that their offer on total compensation basis compares most favorably. They compare total compensation for a teacher at the MA+10 step in Neillsville to the average MA+10 teacher in the conference and concludes that under the Association's offer total compensation is almost \$600 less than the conference average and \$800 less than the Class B average. The same comparison is done for the District's offer and it is found that they are \$1,200 shy of the conference average and \$1,450 less than the Class B average.

B. District

In respect to comparable districts, the Board offers the Cloverbelt Athletic Conference plus a second comparable group of contiguous school districts including Alma Center, Black River, Granton, Greenwood, Loyal, Osseo, and Pittsville. The Board's comparables were selected on the basis of geography and common working relationships. They use contiguous school districts because they believe them to be very similar in status, taxable property, local economy, and working conditions. These schools demonstrate the best picture of local conditions which is not necessarily shown in the Cloverbelt Conference Schools which are located in areas having different tax basis. The only similarity in the Cloverbelt Conference Schools is student body size. The Board also uses schools in the Cloverbelt Athletic Conference as they are similar in size although they submit the inclusion of Altoona and Mosinee in this group which brings in the consideration of schools with a greater industrial tax base which are situated near larger urban areas. They believe the Association's comparability group of "B" schools represents a "mutation" of the Cloverbelt Athletic Conference and consists of a selection of schools designed to skew the statistics in favor of the Association. The Board believes that both sets of comparables used by the Board serve as a valid basis for making comparisons and that they have been presented without modification to allow the Arbitrator to determine the appropriateness, and they believe that the contiguous schools are the most appropriate comparables.

The Board in respect to salary schedule takes the position that their offer is most consistent with the general economic conditions such as increases in the consumer price index, unemployment, and property tax delinquencies. They note in respect to

the consumer price index, their offer proposes to increase the total package 7.87 percent which will increase the cost to the District \$1,596 per teacher for a total package cost of \$1,882,004. The Association's offer proposes a total package increase of 10.75 percent or \$2,181 per teacher for a total package cost of \$1,932,300. The 7.8 percent which would result from the Board's offer comes at a time when the consumer price index at the beginning of the relevant contractual period was 6.3 percent and constantly declining to a level of 3.5 percent. Adjusting the 1982-83 salary by the amount equal to the consumer price index during the period covered by the contract would result in a maximum increase cost to the District of even less than the Board's offer. If the Arbitrator considers the trend of the CPI from July to January, it would seem reasonable to conclude that the Board's offer is more than double the CPI adjusted increase. By contrast, the Association's offer is more than three times the adjusted increase of the CPI.

In respect to unemployment, the Board submits that their offer seems reasonable because at the present time the District is considered to be located in an area that has one of the highest unemployment rates in the country. They direct attention to exhibits which identify Clark County as a county located in a "eligible labor surplus area." They note that a county as determined to be as a "eligible labor surplus area" upon being declared to have an unemployment rate of at least 1.2 times the national average.

In respect to tax delinquencies, the Board believes that these show the current economic conditions best of all. The alarming trend of the populace to not be able to afford to pay its real estate tax is shown in a variety of Board exhibits which shows an increase of 64.6 percent in delinquent taxes in 1981 over 1980 and an increase of 100 percent increase in delinquent taxes in 1981 over 1980.

The Board also supports their salary schedule offer by comparison to the salaries paid in contiguous school districts and Cloverbelt Athletic Conference School Districts. They make the following points in respect to the contiguous districts based on their exhibits:

"1. The Board's offer, when comparing in BA Base improves from a rank of 8 of 8 in 1980-81 to a rank of 2 of 8 in 1981-82 and maintains a position of 2 of 6 settlements in 1982-83. (Board exhibit #7)

2. The Board's offer, when comparing the BA Maximum maintains a rank position of 2 in all three years. (Board exhibit #8)

3. The Board's offer, when comparing the BA Maximums maintains a rank position of 2 in all three years. (Board exhibit #8)

4. The Board's offer maintains its rank position of 4 over a three year period when comparing the MA Maximum. (Board exhibit #10)

5. The Board's offer maintains its rank position of 4 when the top of the schedules are compared. (Board exhibit #11)"

In all the comparisons made to the contiguous districts, the Board notes that their offer either maintains the ranking or improves the ranking of the salary schedule when compared to the contiguous district for the three-year period--1980-81 to 1982-83. In respect to the Cloverbelt Schools, they believe their exhibits show the following:

"1. The Board's offer improved the rank position of the BA Base from 14 in 1980-81 to 6 in 1982-83.

2. The Board's offer maintains the rank of BA Maximum within a rank change of 2 from 1980-81 to 1982-83.
3. The Board's offer improves the MA Base rank from 14 to 10 from 1980-81 to 1982-83.
4. The Board's offer maintains the rank of the MA Maximum within a rank change of 2 for 1980-81 to 1982-83.
5. The Board's offer maintains the rank of 8 for the top of the schedule when 1980-81 is compared to 1982-83."

They note that in general a comparison of the offers to the Cloverbelt schools presents a mixed situation as in some cases the District offer improves the rank, and in some cases it maintains the rank, and in some cases the rank is decreased slightly. However, in no case did the rank decrease more than two whereas the increases were as much as a rank change of eight.

The Board also believes that working conditions must be taken into consideration when comparing salaries. The most important working condition is demonstrated by the faculty/student ratio. They submit two charts which detail the ratios in their two comparable groups. Based on these tables, they note that the Neillsville District enjoys the lowest faculty/student ratio in the Association's first comparable group and is tied for second in the Association's second comparable group. Moreover, they believe it is interesting to note that the schools that have the highest salaries also have the most undesirable student/teacher ratio. The Board is very concerned about working conditions and has attempted, in their opinion, over the years to maintain desirable pupil/teacher ratios for the benefit of students and teachers alike. The Board feels its last offer reflects a salary schedule that is in the interest and welfare of the public, as well as the teachers and students by being comparable with districts in the area and by providing working conditions similar to the area.

In respect to health insurance they note that the previous contract provided for health insurance payment by the Board of \$81.24 a month for family coverage and \$30.48 for single coverage. The Board's offer would increase the payment to \$107 for family and to \$41.23 per month for single coverage or an increase of \$26.70 per month and \$10.75 per month respectively. This represents an increase contribution by the Board of 33 percent for family coverage and an increase of contribution of 40 percent for single coverage. The Board suggests that such an offer would be laudable in a time of economic restraint and hardship. They believe the Association's offer on insurance in contrast is unreasonable.

In respect to dental insurance, the Board's offer for dental insurance would raise the present Board contribution from \$22.40 a month to \$28.83 for family coverage and \$6.96 to \$8.96 for single coverage. This represents an increase of \$6.39 per month and \$2 for single coverage or an increase of 28 percent. The Board has no disagreement with the amount of increase, only the manner in which the Association desires to acquire the increase. The Association feels it should be granted an automatic increase by maintaining the percentage that is stipulated in the existing master agreement. However, the Board contends that with the ever-increasing cost associated with dental care that the dollar amount of the item should be open for consideration as are salary and health insurance. They believe it is within the interest and welfare of the public to consider this item on the same basis of health insurance. In summary, the Board believes its proposal is most reasonable and attempts to provide for maintaining or improving the teachers' situation within the District. They believe their offer is reasonable and balances the interest of the District and the teachers.

V. DISCUSSION

A. Health and Dental Insurance

It is the conclusion of the Arbitrator, after carefully reviewing the record, that the health and dental insurance issues should not be determinative in this dispute. This is primarily so because both offers are well within the range of insurance premium payments made by Boards throughout the conference. Inasmuch as there is no glaring difference between either offer and that which is paid for health insurance in the athletic conference schools as a whole, the issue of salary schedule will be the controlling issue in dispute.

B. Salary Schedule

The parties have presented evidence and proffered arguments in the following areas:

- a. Which district should be considered comparable district.
- b. The interest and welfare of the public as affected by general economic conditions.
- c. Cost of living.
- d. Comparison to the wages received by teachers in comparable districts.

The arguments and evidence in these areas correspond to the factors to be considered by mediator/arbitrators in making their decisions. Before discussing the weight to be attached to the statutory criteria and the evidence on the relevant criteria, the Arbitrator will first discuss which districts he will be using as a basis for comparison.

After considering the arguments of the parties on the question of which school should be considered comparable, the Arbitrator concludes that the comparable groups put forth by the Association are more appropriate. Both the athletic conference and the most similarly sized schools within the athletic conference (the "B" schools) provide an adequate basis for comparison. Moreover, athletic conferences in general are quite often used as a basis for comparison by arbitrators especially when there are an adequate number of settlements therein which allow for meaningful comparisons. In this case, there is additional support for the Association's group of comparables as they were adopted in a previous arbitration involving the same parties. (See Arbitrator Fleischli's award, *supra*.)

One reason why the Arbitrator rejected the contiguous schools as comparable is because the District failed to establish any basis for their comparability save geographic proximity. It has previously been held that parties must demonstrate further than assertion a basis for comparability when they depart from the traditional comparables. See for instance Northland Pines School District, MED/ARB-1472.

The Arbitrator recognizes that the use of the athletic conference as a comparable group is not perfect. There are certainly some variances among schools based on size, tax base, and geographic proximity. However, generally an athletic conference does combine reasonably similar schools. In addition there is another reason why athletic conferences, in absence of mutual agreement to use some other comparable group, should generally be used as a basis for comparison. This has to do with predictability and thus the stability which results from using the same comparable group from year to year. If the parties come to the bargaining table knowing, absent special circumstances, that mediator/arbitrators are going to be reluctant to going outside the athletic conference or some other traditionally utilized comparable group, bargaining will be more meaningful because each party will have the same benchmark to

measure the reasonableness of offers in bargaining. Progress in bargaining certainly would be slowed if the parties come to the bargaining table with different measuring sticks in the form of different comparable groups of the reasonableness of their offers. When they come to the bargaining table with these different sticks, they are speaking different languages and thus, never making respective comparisons on the same basis perhaps in the hopes that a mediator/arbitrator will adopt their "measuring stick" which may enhance the reasonableness of their offer. The statutory process might be strengthened if parties were first to come to mutual agreement on comparables prior to the start of bargaining.

Next the Arbitrator will discuss the relative weight to be granted the applicable statutory criteria. There is argument in the record on the interest and welfare of the public, cost of living, and settlements in comparable districts.

The District directs attention to the general economic factors including unemployment and property tax delinquencies in the context of the interest and welfare of the public as contained in criteria "c" of the statute. Arbitrators including the undersigned have given the public interest and welfare factor (as an expression of the economic state of affairs) considerable weight. However, in these cases where considerable and sometimes controlling weight was given to this factor, it was done in the absence of any 1982-83 settlements. Thus, there is a clear and critical distinction between cases where the economic data was given considerable weight and the instant case because 10 of the 13 other schools in the athletic conference have settlements for the 1982-83 school year. In view of the significant number of settled schools and the general basis of comparability which exists between them, it is the opinion of the Arbitrator that the settlements in these schools are a reasonable barometer of the proper impact of the economy on the reasonableness of the offers. There is no convincing proof in the record that the poor economic climate has impacted any more seriously in Neillsville than it has in other conference school districts. It cannot be denied that unemployment and tax delinquency rates are increasing, but these economic conditions are widespread and not just limited to Neillsville. The economic downturn can thought to affect comparable communities in comparable ways and what has become acceptable in terms of teacher settlements in comparable communities, in light of the economy, is a good measure of what is reasonable in Neillsville. Thus, due to the existence of a majority of the athletic conference schools being settled, more weight will be given to the settlement data in comparable districts than economic arguments put forth by the District.

There is also argument in the record relative to the cost of living. There is no doubt that the Employer's offer is most consistent with the current cost of living increases. It is noted that in other arbitration cases, arbitrators have put some weight on cost of living, but again this has occurred when the settlement data in comparable districts is particularly thin. This Arbitrator, among others, have been reluctant to give significant weight to raw cost of living data when there is a significant number of settled schools. This rationale is set forth quite clearly and succinctly in School District of Merrill by Arbitrator Kerkman, MED/ARB-679, Decision No. 17955. Thus, it is the conclusion of the Arbitrator that more weight should be given to comparable settlements than cost of living data.

Thus far the Arbitrator has determined that due to the large number of settlements in the athletic conference in general and in the "B" schools, greater weight must be given to these settlements rather than the other criteria, i.e., the interest and welfare of the public and cost of living. Moreover, more weight should be given under the circumstances to comparable

settlements than a combination of the other two criteria. Therefore, under the circumstances, controlling and determinative weight will be given to the evidence on comparables which will be analyzed below. The preferred offer will be the one most consistent with the settlements in the athletic conference schools.

The following table is a summation of the average settlement at the benchmarks in the Cloverbelt Athletic Conference as compared to the 1981-82 average in the same schools.**

	<u>1981-82</u>	<u>1982-83</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
BA Minimum	\$12,104	\$12,967	\$ 863	7.1%
BA Maximum	17,559	18,957	1,398	8.0
MA Minimum	13,085	14,094	1,009	7.7
MA Maximum	19,869	21,595	1,726	8.7
Schedule Maximum	20,960	22,809	1,849	8.8

**The schools settled for 1981-82 and included in this analysis are: Altoona, Cadott, Cornell, Fall Creek, Gilman, Loyal, Mosinee, Owen-Withee, Stanley-Boyd, and Thorp.

The following table represents the 1981-82 settlements in Neillsville compared to the final offers at the benchmarks:

	<u>1981-82</u>	<u>1982-83</u>		<u>\$ Diff.</u>	<u>% Diff.</u>
BA Minimum	\$12,128	\$13,038	Assoc.	\$ 910	7.5%
		12,928	Dist.	800	6.6
BA Maximum	\$17,910	\$19,254	Assoc.	\$1,344	7.5%
		18,710	Dist.	800	4.5
MA Minimum	\$12,943	\$13,914	Assoc.	\$ 971	7.5%
		13,743	Dist.	800	6.2
MA Maximum	\$19,425	\$20,886	Assoc.	\$1,461	7.5%
		20,225	Dist.	800	4.1
Schedule Maximum	\$20,737	\$22,285	Assoc.	\$1,548	7.5%
		21,537	Dist.	800	3.9%

A comparison of the above tables clearly indicates that the Association's offer is closer to the average increase at the benchmarks in the athletic conference both in terms of dollars and percent. In fact the Association slightly falls short of the average percentage in dollar increases in the athletic conference at all the benchmarks except at the BA Minimum where the Association's offer is slightly more than the average settlement. The fact that the Association's offer is generally less than the increases at the benchmarks in the settled districts weighs heavily in favor of adopting their offer as the most reasonable. The Board's offer at the benchmarks, on the other hand, is far below the average especially at the MA Maximum and the Schedule Maximum. Thus it would appear that adopting the Board's offer would result in some significant erosion in wage differential relationships. Further analysis below confirms this.

An analysis of how the offers affect the historical rank of the districts among the schools settled for 1982-83 is compiled and is depicted as follows:

Historical Analysis of Rank

	1979-80	1980-81	1981-82	1982 - 83	
				<u>Dist.</u>	<u>Assoc.</u>
BA. Min.	2	11	3	6	5
BA Max.	3	3	3	7	3
MA Min.	7	11	8	10	8
MA Max.	6	6	6	10	9
Sched. Max.	8	7	4	8	6

An analysis based on how the offers affect rank shows that the rank among the settled schools falls at all benchmarks under the Board's offer compared to the 1982-83 ranking. Even the Association's offer would result in some negative adjustments in rank and no improvements in rank. This analysis again tends to support the Association's offer.

The offers can also be analyzed in terms of how they affect the historical wage differentials between the athletic conference settlements and the teacher settlements in Neillsville. This is sometimes important to consider that settlements in some districts sometimes traditionally lag behind the average and the fact that the offer may be less than the average settlement doesn't per se establish that it is unreasonable. It might in fact be consistent with the historical wage relationship within that conference. The following table expresses the historical differentials in 1979-80, 1980-81, 1981-82 of the Neillsville settlement to the average settlement of the schools settled in 1982-83 for the same years.

	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	
BA Minimum	-152	-571	+ 24	- 29	Dist.
				+ 71	Assoc.
BA Maximum	+288	+253	+353	- 197	Dist.
				+ 297	Assoc.
MA Minimum	+ 2	-781	-142	- 336	Dist.
				- 180	Assoc.
MA Maximum	-231	-327	-269	- 838	Dist.
				- 396	Assoc.
Schedule Max.	-685	-642	-223	-1,204	Dist.
				- 524	Assoc.

The above table indicates that the District has a significantly higher-than the average salary at only one benchmark (the BA Maximum). At all other benchmarks, they have traditionally been behind or very close to the average. The table also indicates that at the BA Minimum there would be a slight improvement under the Association's offer and a nearly equal erosion under the Board's offer compared to the 1981-82 differential. Therefore at this benchmark, the offers are relatively in equilibrium. However, at the other benchmarks, the departure from the historical differentials, particularly those in place in 1981-82, is quite dramatic under the Board's offer. For instance, there is a clear history of a positive differential to the average at the BA Maximum. At the BA Maximum the Association's offer maintains that differential relatively consistently, but the District's offer would convert a healthy positive differential to a negative \$197 differential. At the other benchmarks the teachers have traditionally lagged behind the conference as a whole and because there is no catch-up argument, one might expect a reasonable offer to closely maintain these differentials although negative. However, the District's offer increases those

differentials substantially. For instance from a \$142 below the average MA Minimum in 1981-82 to \$336 below the average in 1982-83, from \$269 below the average at the MA Maximum to \$838 below the average, from \$223 below the average to \$1,204 below the average at the Schedule Maximum. Even under the Association's offer, there is some small erosion at all but the BA Base. This supports the Association's offer as most reasonable.

The Association also argues that their offer is most reasonable because it provides internally equitable increases. Indeed it does appear that Arbitrator Fleischli found that raises within the salary schedule based on different percents were inequitable. This Arbitrator views this debate as essentially a debate regarding the equity involved in percentage increases versus flat dollar increases. Frankly this debate is one of long standing in collective bargaining as a whole. It can't be said per se that flat dollar increases for all employees versus percent increases is inequitable. It is believed that the equity involved in these different increase formulas depends on the situation. However, in this case, the Arbitrator need not look any further than the comparable school districts to discover what in general is determined to be the most equitable increase formula. The form and structure of the Association's offer as a percentage on each cell clearly follows the general form and structure of salary increases throughout the athletic conference; and thus, the internal structure of the Association's offer is most consistent with the comparables. This also tends to underline the reasonableness of the Association's offer as compared to the District's.

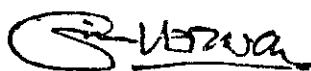
The District also argued that wage offers must be reviewed in context of working conditions. They believe that the working conditions as expressed as the student/teacher ratio at Neillsville are superior to those at other schools; therefore, this would justify a smaller salary. It cannot be denied that working conditions are an important factor of the employment relationship; however, the student/teacher ratio at Neillsville, while more favorable than in other school districts, is not so significantly different than in other school districts. The variance of the student/teacher ratio is not that great within the school districts. For example, most schools have slightly more than one pupil per teacher more than Neillsville with the greatest variance being 3.4 pupils per teacher. This difference is not dramatic enough to justify the great erosion and historical wage relationships within the athletic conference that would result by accepting the Board's offer.

To summarize, based on an analysis of the offers compared with the settlements in comparable districts, it is the conclusion of the Arbitrator that the Association's offer is entirely most consistent with settlements in comparable districts. The data indicates that the Board's offer is significantly less than the average increase at the benchmarks and would result in significant slippage relative to other schools in the terms of rank and wage differentials which is not justified by the record. Therefore, on the issue of salary schedule, the Association's offer is preferred. Inasmuch as this issue is the determinative issue, the Arbitrator awards for the Association.

VI. AWARD

The 1982-83 Agreement between the Neillsville Education Association and the School District of Neillsville shall include the final offer of the Neillsville Education Association and the stipulations of agreement as submitted to the Wisconsin Employment Relations Commission.

Dated this 13th day of July, 1983, at Eau Claire, Wisconsin.



Gil Vernon, Mediator/Arbitrator

Name of Case: _____

The following, or the attachment hereto, constitutes our final offer for the purposes of mediation-arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me.

12/17/82
(Date)

Gerald E. Makie
(Representative)

On Behalf of: School Board
School Dist. of Newkirk

ARBITRATION PROPOSAL

The following three items consisting of Appendix A, Appendix B.1, and Appendix B.7 as attached are submitted by the School Board of the School District of Neillsville as a final offer and the sole subject for arbitration.

Dated this 17th day of December 1982

SCHOOL DISTRICT OF NEILLSVILLE
School Board

by Walter Zeltz
President

by Gerald D. Maki
Chairman, Negotiating Comm.

APPENDIX "A"
SALARY SCHEDULE 1982-83
SCHOOL DISTRICT OF NEILLSVILLE

<u>STEP</u>	<u>EXP</u>	<u>BA</u> (413)	<u>B+8</u> (430)	<u>B+16</u> (441)	<u>B+24</u> (452)	<u>MA</u> (463)	<u>M+8</u> (481)	<u>M+16</u> (496)	<u>M+24</u> (513)
1	0	12,928	13,132	13,336	13,540	13,743	13,947	14,151	14,355
2	1	13,341	13,562	13,777	13,992	14,206	14,428	14,647	14,868
3	2	13,754	13,992	14,218	14,444	14,669	14,909	15,143	15,381
4	3	14,167	14,422	14,659	14,896	15,132	15,390	15,639	15,894
5	4	14,580	14,852	15,100	15,348	15,595	15,871	16,135	16,407
6	5	14,993	15,282	15,541	15,800	16,058	16,352	16,631	16,920
7	6	15,406	15,712	15,982	16,252	16,521	16,833	17,127	17,433
8	7	15,819	16,142	16,423	16,704	16,984	17,314	17,623	17,946
9	8	16,232	16,572	16,864	17,156	17,447	17,795	18,119	18,459
10	9	16,645	17,002	17,305	17,608	17,910	18,276	18,615	18,972
11	10	17,058	17,432	17,746	18,060	18,373	18,757	19,111	19,485
12	11	17,471	17,862	18,187	18,512	18,836	19,238	19,607	19,998
13	12	17,884	18,292	18,628	18,964	19,299	19,719	20,103	20,511
14	13	18,297	18,722	19,069	19,416	19,762	20,200	20,599	21,024
15	14	18,710	19,152	19,510	19,868	20,225	20,681	21,095	21,537

APPENDIX B

1. Health Insurance payments by the Board shall be an allowance of \$107.94 for family coverage and \$41.23 for single coverage.

APPENDIX B

7. Dental insurance payments by the Board shall be an allowance of \$28.83 for family coverage and \$8.96 for single coverage.

Name of Case: _____

The following, or the attachment hereto, constitutes our final offer for the purposes of mediation-arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me.

12/17/82
(Date)

Mary Virginia Quarles
(Representative)

On Behalf of: Neillsville Education Association

APPENDIX B
Page 2
NEILLSVILLE EDUCATION ASSOCIATION

FINAL OFFER

December 17, 1982

1. All items shall remain the same for the 1982-83 Master Agreement except for the changes included in the Stipulated Agreement and the final offer of the Association.
2. Appendix A - Salary Schedule - attached.
3. Appendix B - Change "\$81.24" to "\$115.14" and change "\$30.48" to "\$45.82".

Mary Virginia Swank
12/17/82

APPENDIX "A"

SALARY SCHEDULE 1982-83

SCHOOL DISTRICT OF NEILLSVILLE

<u>STEP</u>	<u>EXP</u>	<u>BA</u>	<u>B+8</u>	<u>B+16</u>	<u>B+24</u>	<u>MA</u>	<u>M+8</u>	<u>M+16</u>	<u>M+24</u>
		(444)	(462)	(474)	(486)	(498)	(517)	(533)	(551)
1	0	13,038	13,257	13,476	13,695	13,914	14,133	14,352	14,571
2	1	13,462	13,719	13,950	14,181	14,412	14,650	14,885	15,122
3	2	13,926	14,181	14,424	14,667	14,910	15,167	15,418	15,673
4	3	14,370	14,643	14,898	15,153	15,408	15,684	15,951	16,224
5	4	14,814	15,105	15,372	15,639	15,906	16,201	16,484	16,775
6	5	15,258	15,567	15,846	16,125	16,404	16,718	17,017	17,326
7	6	15,702	16,029	16,320	16,611	16,902	17,235	17,550	17,877
8	7	16,146	16,491	16,794	17,097	17,400	17,752	18,083	18,428
9	8	16,590	16,953	17,268	17,583	17,898	18,269	18,616	18,979
10	9	17,034	17,415	17,742	18,069	18,396	18,786	19,149	19,530
11	10	17,478	17,877	18,216	18,555	18,894	19,303	19,682	20,081
12	11	17,922	18,339	18,690	19,041	19,392	19,820	20,215	20,632
13	12	18,366	18,801	19,164	19,527	19,890	20,337	20,748	21,183
14	13	18,810	19,263	19,638	20,013	20,388	20,854	21,281	21,734
15	14	19,254	19,725	20,112	20,499	20,886	21,371	21,814	22,285

Mary Virginia Shanley
9/2/17/82